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## SHIP-BUILDING *VERSUS* SHIP-OWNING.

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By Act of Congress, July 5, 1884, a Bureau of Navigation was established for the "General Superintendence of the Commercial Marine and Merchant Seamen of the Country." A commissioner was appointed "to superintend the Bureau, and to make annual reports of statistics and results." In the second report, recently issued, we find an abundance of statistics and no results.

No figures were needed to prove that the American commercial marine had been annihilated. A simple 0 might supply the place of the columns which Captain Patten has so industriously collated. We only desired to learn what good has been or is likely to be accomplished by this Bureau or by any other act of congressional legislation, thus far, in restoring the mercantile marine to any degree of its former prestige and success.

Let us see how far the suggestions of the Commissioner tend in that direction. These are indicated by the conclusion of his report with an essay on wooden ship-building, the object of which is to demonstrate that all the world, excepting the author, is mistaken in its estimate of the value of iron and steel in the construction of vessels. We look over the other pages and are relieved when we do not find that a return to the model of the Ark is anywhere advocated. Captain Patten's elaborate tables are worse than useless, for they are incorrect and misleading. It is not true that, between the periods of 1835 and 1855, American ships, by which of course we should understand good American ships, could be built at prices varying from \$40 to \$50 per ton. In the days before Bath established a reputation for building ships equal to those of New York, Medford, East Boston, Newburyport and Portsmouth, "down-East" vessels, built of soft wood, were not looked upon with favor by ship-owners, sailors or underwriters. They were cheap, and yet not cheap at any price; whereas, the A 1 ships, first mentioned, readily commanded \$60 or \$65 per ton.

On the other hand, the Commissioner has estimated the cost of British wooden ships of that period at a figure too high. He appears to have taken the Thames prices, and not those of Greenock or Aberdeen. Thus is instanced the error of some political economists in their comparisons of British and American labor. Labor frequently differs more in price in different parts of Great Britain and in different parts of the United States than when the averages of the two countries are contrasted.

These strictures upon the comparative cost of wooden vessels in former days may seem hypercritical, but they have a most important bearing upon the main question. They furnish the nucleus of the argument for free ships for which Captain Patten's report throughout shall serve as a text.

Owing to the cheapness of material in this country, offsetting the higher cost of labor which has always prevailed here independently of tariff or free trade, and owing to the costliness of timber necessarily imported by Great Britain offsetting the lower cost of labor which, independently of tariff or free trade, must always prevail in regions thickly settled, it so happened that first-class sailing ships at that time could be built at about the same price in both countries. So long as these conditions continued, it was a matter of no consequence to either nation if its restrictive navigation laws should be retained or not. The sailing ships on both sides were competing on equal terms. Neither asked for bounty, subsidy or "fostering" of any kind. But, in the latter part of the period under consideration, when it became somewhat less expensive to build ships in the United States than in Great Britain, English ship-owners suffered in consequence. They appealed to their government for aid, and it was accorded them, despite the howls of ship-builders throughout the kingdom, as, in the days of Sir Robert Peel, the whole people cried out for bread and the landed interest opposed their cry in vain. In both cases the boon sought for was the same. Parliament dared what Congress dared not do—to talk of freedom, and to grant it. England obtained free bread and free ships. An American policy would have suggested a subsidy to bakers and a subsidy to ship-builders. What would have resulted to England had not her navigation laws been repealed in 1849, and had not iron ship-building been invented? Simply this: England would have been in the exact predicament in which we now find ourselves and America would have been what England is, the mistress of the seas.

It was better policy for England, in 1849, to buy our ships than for America to sell them, as, in 1886, whatever British ship-builders might gain by selling ships to Americans would be balanced more than a hundredfold by the benefits that would accrue to America from the purchase.

Next in order, our attention is called to this very correct statement on page 51 of the report :

“The chairman of the London Chamber of Shipping lately remarked, ‘We have 1,000,000 tons too much shipping in Great Britain, and until something like that quantity of tonnage is absorbed, profitable times cannot be expected to return to the merchant marine.’”

This shall receive due consideration when we come to another matter with which it is intimately connected.

On page 62 we read :

“Our remarkable success on the sea (up to 1860) was doubtless due in a great measure to the fostering care of the government as well as to the maritime spirit that pervaded commercial society.”

What was the nature of this “fostering care”? Did a subsidy to the Collins, Havre, and Bremen steamship lines tend to foster the sailing-ship interest or the interests of independent steamships? On the same page, after a satisfactory explanation of the difference in cost of iron sailing ships in this country, as compared with Great Britain, we have this repetition of what Mr. David A. Wells has so aptly termed “the historic lie” :

“Besides, we (the American ship-owners) have to compete with a subsidized commerce, for no country has been more lavish of the public funds than Great Britain in building up a mercantile marine and thereby increasing foreign trade.”

This is a favorite argument of Mr. John Roach when he desires to obtain a subsidy for his own ships to run in competition with other ships not having subsidies, but it was not to be expected from an officer of the government, who should have no excuse for such a perversion of fact. The only subsidy of importance granted by England to sailing ships was conferred upon an Australian line in 1850, and that line was chiefly composed of American-built clippers, purchased immediately after the repeal of her navigation laws. Will this be cited as an example of England’s “fostering her own ship-building”? It would be impossible to point out a single instance in which England ever made it a condition of

subsidy that either steamers or sailing ships should be built at home, or that it was intimated in any way that the purpose of subsidy was to "foster" domestic ship-building.

Mail subsidy is not only entirely apart from the ship-building industry, but it is a detriment to general ship-owning. Can anybody imagine that the few subsidized steamships, running between Liverpool and New York, are of any benefit to the independent steamships in the same trade?

Fortunately, the number of the subsidized is so small that the injury done to the independent ships is not appreciable, but, supposing that one-half the fleet was subsidized, what chance would there be for the remainder?

We now come to "the depression in the freighting business of the world," which, it is asserted with truth, has produced financial troubles in the old world as well as here. And yet, on the very next page, our Commissioner comes forward as an advocate of the men who are asking for a bounty to enable them to build more ships, when the world is already so overstocked that the freighting business cannot become profitable until the acknowledged surplus of 1,000,000 tons is disposed of by shipwreck or by time!

For thirty years I have steadily advocated the policy of free ships. Long before the civil war, to which has been so falsely charged the decline of American shipping, it was not difficult to foresee what would be the lamentable result of our system of prohibition. It is with the melancholy satisfaction of the "I told you so" prophet, that I quote from my correspondence with the New York Journal of Commerce. in 1857, reproducing this extract from one of those letters:

"England is able to construct this class of vessels (iron screw steamships) more economically than we can. She must, therefore, have the monopoly of building them. Her monopoly in this respect we cannot prevent, but it depends on ourselves and on our government whether she shall have the *monopoly of sailing them*. The only way in which we can participate in ocean steam navigation is by adopting a system of reciprocity with England, so changing our laws that we may buy her steamships, as she now buys our sailing vessels, because she finds it for her interest to do so."

If this object could then have been accomplished, our shipping interests to-day would have equaled those of England, and I believe that, as it has resulted in Germany where iron ship-owning commenced before iron ship-building, our ships would by this time have generally been built at home.

Mr. A. Foster Higgins, author of the late report from the New York Chamber of Commerce, a most pronounced protectionist and advocate of subsidies, makes this candid admission, although he qualifies it with error:

“It may be possible for American merchants to own and run foreign built vessels with foreign crews and largely regain portions of our foreign carrying trade, without necessarily aiding in the least degree to re-establishing ship-building in the United States.”

It by no means follows that, because the vessels are foreign built, the crews would be more foreign than if the vessels were built at home. In either case, it is alike certain that the captains and officers would be Americans, and what is most important of all, as is admitted, we might “largely regain portions of our foreign carrying trade.” The example of Germany, just cited, indicates that such a measure would tend far more to re-establish domestic ship-building than to prevent it. It certainly could do our ship-building for the foreign carrying trade no injury, since it is conceded on all hands that ship-building for this purpose no longer exists. Mr. Higgins is quoted because he is the mouth-piece of subsidy men, and because his report and that of the Commissioner are in the same line of argument. They both seem to think that ship *building* is the prime necessity, without which any attempts to restore ship *owning* are not to be for a moment considered. That has been the great mistake of all congressional legislation, or rather of congressional obstruction, from the report of Mr. Lynch’s committee, in 1870, down to the present day. From that time to this, we have persistently protected foreigners in earning freight money, of which, during that period, we have paid to them the enormous sum of \$1,800,000,000. A large part of this money might have gone into the pockets of our own ship-owners, but it has been withheld from them, merely because, from whatever reason, tariff, want of enterprising competition or what else it matters not, our ship-builders could not, would not, at any rate did not build ships as good in quality and as low in cost as the ships that we could have bought.

As we might have participated in the past profits of the business, we should of course have had our share of the ups and downs of all trade, and should have been partakers of the present depression, which certainly does not hold out a favorable inducement for the whole country to contribute money to enable ship-builders to build ships that just now are not needed. But, taking one

time with another, provided we had been permitted to own ships, judging from what happened when we did own them on equal terms of cost, reasoning from experience and recollections of American ship-owners, officers, and seamen, it cannot be doubted that we should have carried away our full share of the profits, and would have sustained as little loss as any other people engaged in the business have suffered.

Thus far the question has been considered mainly as one of dollars and cents. Beyond that, there is a patriotic sentimentalism with which the American sailor regards his flag. He does not even care if the bunting of which his flag is made was woven in General Butler's mill, or if it was imported from England. He cares nothing about the nationality of the men who spiked down the planks on which he treads, nor does he care on which side of the Atlantic their work was done, provided that they did it well.

But it is his business and his pride to carry that flag around the world. In peace, it is his protection as he pursues the paths of commercial gain, and, in war, it is the inspiration of his soul. The Commissioner, who has been a sailor himself, forgets all this, and thinks only of "protecting" the American carpenter and iron worker. He holds their trade in higher estimation than a navy, which, to use his favorite expression, might be "fostered" for use in war by simply permitting a merchant marine to foster itself in time of peace, without any expense to the government of bounties, subsidies or any such beggarly expedient, emanating from a system of protection which robs the American sailor of his manliness and his liberty.

This vicious system of protecting ship-builders who build no ships has not only deprived ship-owners of the opportunity for honest gain, driven sailors ashore for want of employment, and strangled the nursery of our navy, but, according to another forced admission from Mr. Higgins, it greatly prolonged the civil war at the cost of untold treasure and a loss of human life that is beyond estimate.

"Had she (the United States) possessed in the beginning of the war an efficient navy, no one can doubt but that the war would have been shortened and the expenses lessened by at least *one-third* of what it cost."

We find one word in italics. It should all be italicized. An efficient navy and efficient transport service was denied us because it was necessary to protect the "home industry" of domestic ship

carpenters. We might have purchased as many first-class iron steamships as were needed for blockaders and transports ; we might have owned them before the war broke out ; but, even when the dire necessity was upon us, the barbarous navigation laws stood in the way ; for, when peace and humanity knelt begging in the halls of the nation for their repeal, Congress would not listen even to save the nation's life.

So, we were forced to make men-of-war out of our old wooden tubs, and when the supply of coasting steamers was exhausted, we actually took North River barges and canal boats, fitted them with boilers and engines, and put our soldiers on board of them to brave the storms of Hatteras. Too many of them, alas, never reached their destination, and, if the depths along the coast could be explored, there would be found, at no long intervals, these coffins of protection encasing our patriotic dead.

And yet the Commissioner and Mr. Higgins think that the men who have robbed the ship-owner of his business, the sailor of his employment and the nation of its life-blood, are those and those only who need continued and additional "protection" !

Of what use is the "relief" the Dingley bill affords, its abolition of consular fees, hospital dues and other infinitesimal charges upon ships, when we cannot own the ships ? What do they all amount to in comparison with the cost of thirty per cent. against us in the ship itself ? Relief ? It is like throwing overboard a few shingles and leaving the cargo of iron in the hold, when the ship is ashore.

In everything but the ownership of vessels, we are now on equal terms with Englishmen. What the ship-builder has a right to demand is free material for all that enters into the construction of ships, and what the ship-owner needs is free ships. Then the American ship-builder will be brought into fair competition with the foreigner of the same occupation, and the American ship-owner will contend on equal terms with his transatlantic rival.

If our ship-builders succeed under these conditions it will be gratifying to us all and particularly to those who think them most worthy of consideration ; but, with or without their immediate success, ship-owners and sailors will start again to life, and if, in industry, perseverance and intelligence they do not regain their ancient prestige on the seas, it will be because they are the degenerate sons of worthy sires—and that we will not believe.

JOHN CODMAN.